C.L. Butch Otter, Governor

Paul Kjellander, Commissioner Mack A. Redford, Commissioner Kristine Raper, Commissioner

Case No. UWI-W-15-02, Order No. 33300

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www.puc.idaho.gov

PUC taking comment on proposed agreement to transfer hydrants from city to United Water

BOISE (June 2, 2015) – United Water Idaho is asking state regulators to approve an agreement that transfers responsibility for the operation, maintenance and replacement of more than 6,700 fire hydrants from the City of Boise to United Water.

The agreement between United Water and the City of Boise proposes to replace about 168 hydrants per year over the next 40 years at a cost of about \$765,000 to United Water ratepayers, or about \$1.45 per customer per year. If the Idaho Public Utilities Commission approves the transfer, the costs, after a prudency determination by the commission, would be recovered from customers after the company files its next rate case. (The costs are not included in the current rate case, which United Water filed with the commission on May 21.)

The parties claim that transferring the hydrants to the utility would 1) create equity among taxpayers and ratepayers, 2) make available capital funding for fire protection infrastructure and 3) vest ownership of the hydrants with the entity that owns the infrastructure connected to the hydrants and the experience and expertise to maintain them.

Each party has reserved the right to declare the agreement null and void if the commission does not approve the agreement or the requested accounting treatment.

The commission is taking public comment on the proposed agreement through July 23. Comments are accepted by accessing the commission's Website at www.puc.idaho.gov and clicking on "Case Comment Form," under the "Consumers" heading. Fill in the case number (UWI-W-15-02) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

United Water's application and accompanying testimony are available on the commission's Website. Click on "Open Cases" under the "Water" heading and scroll down to the case number above.